

Message Text

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PAGE 01 NAIROB 06660 271442Z
ACTION XMB-04

INFO OCT-01 AF-10 ISO-00 EB-07 CIAE-00 DODE-00 PM-04
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 COME-00 AID-05 EUR-12 /084 W
-----280720Z 082081 /16
R 271404Z MAY 77
FM AMEMBASSY NAIROBI
TO SECSTATE WASHDC 8558
INFO AMEMBASSY DAR ES SALAAM

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PASS ALSO EXIMBANK

E.O. 11652: N/A
TAGS: EAIR, KE, TZ
SUBJECT: EXIM APPOINTMENT OF MEDIATOR FOR DISPOSITION OF EAA
AIRCRAFT

REF: (A) STATE 119797, (B) NAIROBI 6539 (NOTAL)

1. EMBASSY HAPPY TO ASSIST KENNETH GILL IN HIS ATTEMPTS
TO UNSNARL LEGAL ISSUES SURROUNDING REGISTRATION OF EAA'S
DC-9 FLEET, PARTICULARLY AS GILL HAS BEEN HELPFUL SOURCE OF
INFORMATION ON KENYA AIRWAYS' PLANNING OVER LAST FEW MONTHS.
WE ASSUME, HOWEVER, THAT WORDING OF REFTEL A -- THAT GILL
WILL BE QUOTE CONTACTING KENYA AND TANZANIA UNQUOTE --
DOES NOT MEAN THAT HE HAS AUTHORITY TO ACT AS MEDIATOR
BETWEEN THESE TWO GOVERNMENTS. WE FEEL THIS IS HIGHLY
INAPPROPRIATE ROLE FOR COMMERCIAL AIRCRAFT SALESMAN IN
KENYA AND DOUBT THAT GOK WOULD APPRECIATE RECEIVING HIM AS
REPRESENTATIVE OF USG AGENCY INTERVENING IN AN ESSENTIALLY
BILATERAL EAST AFRICAN ISSUE.

2. PRIOR TO RECEIPT OF REFTEL A, EMBOFF SPOKE WITH GILL,
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PAGE 02 NAIROB 06660 271442Z

WHO BELIEVES EAA INTERIM LIQUIDATOR HERE HAD NO OBJECTIONS
TO TANZANIAN SALE OF DC-9. JUDGING FROM WHAT EMB HEARD
VIA OTHER COMMERCIAL VISITORS RECENTLY, LIQUIDATOR WANTS
TO PROPOSE TO KENYA AIRWAYS THAT TWO DC-9 AIRCRAFT IN NAIROBI
BE SOLD. ACCORDING TO PRESS REPORTS, LIQUIDATOR BEGINNING TO
AUCTION OFF OTHER PHYSICAL ASSETS OF EAA SUCH AS FURNITURE
AND OFFICE SUPPLIES BUT HAD MADE NO DECISION YET ON

DISPOSAL OF PLANES. IF HE IS SUCCESSFUL IN SELLING KENYAN-BASED AIRPLANES, THIS MIGHT INDICATE THAT GOK WOULD NOT OBJECT TO TANZANIA'S EXERCISING SIMILAR RIGHTS.

3. AIRCRAFT REGISTRATION MAY NOT BE THE CRITICAL ISSUE IN ANY CASE. EMB BELIEVES GOK ACQUIESCENCE IN DEREGISTERING DC-9 IN TANZANIA WOULD BE PREDICATED ON POLITICAL AGREEMENT, TACIT OR OTHERWISE, BETWEEN KENYA AND TANZANIA THAT RESPECTIVE PUBLIC TRUSTEES CAN DISPOSE OF PLANES WITHOUT PREJUDICE TO FINAL SETTLEMENT OF CORPORATION ACCOUNTS. WE SUGGEST THAT GILL NOT BECOME INVOLVED IN NEGOTIATIONS OF THAT SORT IN NAIROBI. PERHAPS EXIM OR DEPT CAN RAISE QUESTION OF AIRCRAFT DISPOSAL WITH KENYAN DELEGATION ABOUT TO VISIT BANK WEEK OF MAY 30 TO DISCUSS FINANCING OF USED AIRCRAFT AVAILABLE THROUGH NORTHWEST AIRLINES (SEE REFTEL B). HOWEVER, SINCE EXIM HAS NO PROPRIETARY INTEREST IN AIRCRAFT AND, THANKS TO GOK AND TANGOV RESPONSE ON LOAN GUARANTEES, SEEMS TO HAVE AT LEAST TWO-THIRDS OF ITS OUTSTANDING DEBT TO EAA PROTECTED, KENYAN OFFICIALS MAY FEEL DISPOSITION OF DC-9'S IS PURELY INTERNAL MATTER. BASED ON PREVIOUS DISCUSSIONS WITH TREASURY OFFICERS (EXIM REPRESENTATIVES PRESENT), EMB PREDICTS THAT EXIM EFFORTS TO LINK EAA COMMITMENTS TO KENYAN AIRWAYS EQUIPMENT FINANCING WILL BE UNACCEPTABLE TO GOK.

4. EMB BELIEVES GILL NOW IN ZAMBIA AND PLANS TO TRAVEL DIRECTLY TO ROME FROM LUSAKA. WE WOULD APPRECIATE CLARIFICATION OF GILL'S MANDATE AS MEDIATOR PRIOR TO HIS RETURN TO KENYA.

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PAGE 03 NAIROB 06660 271442Z

DECON 5/27/78.

LINDSTROM

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 27-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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